

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

REGAL WEST CORPORATION,

Plaintiff,

v.

Z GLOBAL LOGISTICS LLC,

Defendant.

CASE NO. C23-5328 BHS

ORDER ON PLAINTIFF'S  
MOTION TO REMAND

This matter is before the Court on Plaintiff Regal West Corporation's Motion to Remand, Dkt. 8. The Court has considered the briefing filed in support of and in opposition to the motion and the remainder of the file and denies the motion for the reasons below.

**I. BACKGROUND**

On March 22, 2023, Regal West Corporation (Regal) filed an action against Z Global Logistics, LLC (Z Global) in Pierce County Superior Court, alleging that Z Global tortiously interfered with Regal's business and its future business prospects. Dkt 8 at 21-22. Both Regal and Z Global are third-party logistics providers. *See* Dkt 1-2 at 1. In 2013, Regal, which operates in Fife, Washington, entered into a relationship with a global

1 toy company called Jazwares, LLC (Jazwares) to provide its services. *Id.* at 4. In 2020, Z  
2 Global sent temporary workers on behalf of Jazwares to Regal's warehouses to assist in  
3 Regal's work. *Id.* at 5. Regal alleges that, once at its facilities, Z Global's representatives  
4 and temporary workers interfered with Regal's relationship with Jazwares. *Id.* Regal  
5 further alleges that, as a result of Z Global's tortious interference with its business, Regal  
6 lost access to temporary workers, and lost several employees and \$6 million annually in  
7 recurring revenue. Dkt 1-2 at 6. Regal seeks damages for lost business and attorney's  
8 fees. Dkt 1-2 at 8-9.

9 On April 13, 2023, Z Global timely removed the case to this Court, asserting that  
10 the court had subject matter jurisdiction because Z Global is a citizen of New York and  
11 Delaware and the amount in controversy exceeds \$75,000. Dkt 1.

12 Regal seeks remand, arguing that Z Global has not met its burden of establishing  
13 that the parties are diverse, and that the Court therefore does not have subject matter  
14 jurisdiction. Dkt 8. Regal relies on the testimony of a Z Global corporate representative  
15 who testified in a different case that Z Global had an additional, minority owner, and who  
16 did not clarify that the minority owner was a citizen of a state other than Washington. Dkt  
17 8-2, Ex. A.

18 Z Global's reply explained that its sole member is Alleghany Capital Corporation,  
19 Dkt 17 at 2, which operates in Delaware and has its principal place of business in New  
20 York. Dkt 1 at 2. Regal nevertheless contends in its surreply that Z Global has failed to  
21 prove diversity. Dkt 18 at 7.  
22

## II. DISCUSSION

Defendants may remove any action filed in state court to federal district court if the district court would have original jurisdiction over the case. *See* 28 U.S.C § 1332(a). When an action does not involve federal laws, there must be diversity of citizenship between the parties and the amount in controversy must exceed \$75,000 for a district court to have original jurisdiction. *Id.*

Unlike corporations, which are deemed citizens of the states in which they are incorporated and those where their principal place of business is located, the Ninth Circuit deems limited liability companies as citizens of every state of which their members are citizens. *See Johnson v. Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006). The case must be remanded for lack of diversity jurisdiction if the Court doubts that the parties are citizens of different states. *See Coleman v. Am. Commerce Ins. Co.*, No. C16-5096 BHS, 2016 WL 2586636, at \*1 (W.D. Wash. May 5, 2016).

The parties agree that the burden of proving diversity of citizenship rests with the defendant. *See* Dkt 17 at 1. They also agree that the amount in controversy exceeds \$75,000. *See* Dkt 1 at 2. What the parties disagree on, however, is whether Z Global has properly demonstrated its citizenship is different from Regal's citizenship.

First, Regal contends that Z Global has not demonstrated its citizenship at the time the case was filed. Dkt 18 at 2. Regal points to the testimony that the Z Global representative provided in a separate case that Z Global had a minority owner whose citizenship was not mentioned. *Id.* However, Z Global's removal notice unambiguously

1 asserts that it is a Delaware corporation with a principal place of business in New York.  
2 Dkt 1 at 2. Z Global also explains that its representative testified in a different case to  
3 having two member-owners because Z Global's parent company was being acquired by  
4 Berkshire Hathaway at the end of 2022. *See* Dkt 17 at 3. Z Global provided this  
5 testimony on February 16, 2023, and this case was filed on March 22, 2023. Dkt 8-1; Dkt  
6 1. Z Global clearly states that it had one member at the date Regal filed the suit. Dkt 17 at  
7 3. Furthermore, Z Global explains that the minority owner was a citizen of Florida, not  
8 Washington, and so even if the minority owner was still a member at the date of filing the  
9 suit, Z Global would still be diverse. *Id.* at 2.

10 Regal also argues that Z Global failed to properly plead the citizenship of its  
11 parent company, Alleghany Corporation. Dkt 8 at 5. Regal suggests that Z Global did not  
12 definitively prove diversity because they did not say where *the* principal place of business  
13 was, rather only that Alleghany Corporation had *a* principal place of business in New  
14 York. *Id.* Nonetheless, even if Z Global had more than one principal place of business,  
15 removal to this Court is proper because nothing suggests that any of its members were  
16 Washington residents or that any of its locations were in Washington.

17 There is no doubt as to the citizenship of Z Global at the time the action was filed.  
18 For these reasons, Regal's motion to remand for lack of subject matter jurisdiction is  
19 denied. Accordingly, Regal's request for an award of the fees and costs it incurred as a  
20 result of the defendant's removal is denied.

1 **III. ORDER**

2 Therefore, it is hereby **ORDERED** that Regal West Corporation's Motion to  
3 Remand, Dkt. 8, is **DENIED**.

4 Dated this 9th day of June, 2023.

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7 BENJAMIN H. SETTLE  
8 United States District Judge  
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